

REG10-030

GUSTAVUS ELECTRIC COMPANY INC.**AGREEMENT TO EXTEND ELECTRIC DISTRIBUTION FACILITIES**

THIS AGREEMENT, entered into as of August 17, 2009, by and between GUSTAVUS ELECTRIC COMPANY INC. hereinafter called GEC, and City of Gustavus hereinafter called, without consideration of number or gender, "Applicant".

WITNESSETH:

For and in consideration of the mutual promises of the parties, and the payments, if any, to be made as hereinafter provided, GEC will design, construct, and install by its own employees or others, the distribution facilities necessary to furnish electric utility service to Applicant at or to the new bulk fuel tank farm, subject to the following terms and conditions.

1. Service Characteristics:

Service under this Agreement will be alternating current, three-phase, and sixty cycles, at a nominal 120/240 volts. The extension to be constructed will be underground.

2. Cost of Extension:

The costs shown below represent the application of Section 7 of GEC Tariff and provide for the applicable Company contribution toward the extension of distribution facilities. The costs include:

() The lowest responsive bid of a qualified contractor for construction and installation.

(x) The estimated cost of GEC's construction and installation, and the costs of materials.

All costs to GEC for labor, engineering, easements, equipment and materials furnished or contracted by GEC hereunder are subject to an overhead charge of five percent (5%). Costs shown below include this overhead charge.

TOTAL NUMBER OF PERMANENT SERVICES _____

a. Cost of Line Extension	\$ <u>70,019.00</u>
b. Maximum Company Contribution	\$ _____
c. Prepaid Engineering Advance	\$ _____
d. Total Amount Due	\$ _____
e. Total Amount to be reimbursed	\$ <u>70,019.00</u>
f. Total Amount Subject to Refund	\$ <u>70,019.00</u>

In the case of underground facilities does the above costs reflect a customer provided trench as provided

for in Sections 7.8, 7.9, and 7.10 of the tariff? () Yes (x) No

The costs shown shall be adjusted to the actual final costs upon completion of construction. The final total costs chargeable to the applicant shall not be greater than ten percent above the total costs shown unless the increased cost is caused by the applicant. Prior to energizing of the completed construction an executed payment agreement is required.

3. Relation of Agreement to Tariff:

Applicant represents that it is familiar with Section 7 of the GUSTAVUS ELECTRIC COMPANY INC. Tariff on file with the Alaska Public Utilities Commission. This agreement incorporates by reference, and is governed by, the Tariff.

4. Diligent Performance and Continuity of Service:

GEC will use reasonable diligence to construct and install the facilities covered by this Agreement, and to provide a constant and uninterrupted supply of electric power and energy by means thereof, but if such work or supply shall be delayed or interrupted by an act of God or of the common enemy, by accident, by strikes, other labor disputes, or labor interruptions, by the inability of GEC to secure necessary rights-of-way or other permits, or to obtain necessary materials, or for any other cause beyond and outside GEC's reasonable control, GEC will not be liable therefore. Strikes, lockouts and other labor disturbances shall be considered beyond the control of GEC and nothing herein shall require GEC to settle a labor dispute against its best judgment.

5. Period of Agreement:

This Agreement will be effective on the date hereof and will continue in effect for a period of five years from the date service is first supplied from the facilities furnished hereunder, except that the same be earlier terminated by mutual agreement, or pursuant to Section 9 below.

6. Rights-of-Way:

Notwithstanding any request of Applicant, or the making of any payment which may be required hereunder, GEC will not be obligated to design, construct, or install any facilities, except and until acceptable right-of-way, as determined by GEC, is available therefore, and lot corners and/or other survey points, as may be reasonably necessary, have been established by or for Applicant. The Applicant agrees to remove any obstruction berm or other materials, which may have been placed upon the right-of-way other than by AEL&P. In the event that failure or delay in complying herewith delays GEC or its contractor in the completion of the construction and installation of the facilities subject to this Agreement, GEC may remove such materials, or cause the same to be removed, and the cost thereof will be paid by Applicant. It shall be the responsibility of the applicant to provide all survey points necessary for the construction of the facility.

7. Construction Standards:

All construction and installations made hereunder will meet or exceed the standards and criteria of applicable codes but GEC will assume no responsibility for the inspection of any service entrance, interior wiring, or other facilities of Applicant to insure Applicant's compliance therewith. For GEC to comply with such applicable standards, including those controlling overhead clearances, depth of underground installations, conductor separation, and otherwise, the premises on, in through, or across which the facilities herein mentioned are to be constructed and installed will have to be brought to final grade prior to such construction and installation, and Applicant agrees, therefore, that: (1) GEC will not commence any such construction or installation until Applicant certifies that the premises have been brought to final grade and all sewer and water mains and materials have been installed, and (2) in the event that applicant causes the grade to be changed after

construction and installation of the aforesaid facilities, and such change results in inadequate overhead clearances, or inadequate depth of burial or separation, or otherwise creates a violation of applicable codes, or inhibits or denies GEC reasonable access to its codes, or inhibits or denies GEC reasonable access to its facilities, e.g., causing water to stand around pad-mounted transformers or service pedestals, or back-filling around such facilities, Applicant will reimburse GEC the reasonable cost of making such corrections as are made necessary by the changed conditions. Final cover such as asphalt, finish gravel, curbs, sidewalks, seeding, etc. shall not be installed prior to installation of electrical facilities. In the event that said finish cover is installed prior to the above said facilities the applicant shall be responsible for the cost and repair of such cover.

8. Work Schedule:

It is expected that the work contemplated by this Agreement, whether performed pursuant to contract or by force account, will commence on or before September 1, 2009, and will be completed on or before June 30, 2010, provided, however, that the foregoing is an estimate only and not a warranty with respect to either the commencement date or completion date; and, provided further, that the foregoing schedule will be at all times subject to the terms and conditions mentioned in Section 4 above.

9. Succession:

This Agreement will insure to the benefit of, and be binding on, the heirs, successors, legal representatives, and assigns of the respective parties hereto, but no assignment will be effective except that it be in writing or made by operation of law; provided, however, that GEC will have no obligation to make a refund, to any successor-in-interest of which it has no notice, including written evidence of an assignment, nor to any person for whom it has not been furnished a current mail address.

10. Notice:

Whenever written notice is required hereunder, such notice will be considered to have been delivered when deposited in the United States mail, postage prepaid, and addressed to:

Gustavus Electric Company Inc.
P.O. Box 102
Gustavus, Alaska 99826

provided either party may change its address or record by similar written notice to the other party.

11. Entire Agreement:


This Agreement supersedes any and all other agreements heretofore entered into by the parties hereto for the installation of electric distribution facilities, or the furnishing of electric utility service, to the premises, or for the purposes, described herein; provided, however, that the parties hereto mutually understand and agree that GEC is a public utility within the contemplation of the Alaska Public Utilities Commission Act (AS 42.05.010, et seq.), is regulated hereunder by the Regulatory Commission of Alaska, and that this Agreement is subject to such modifications as may be required to conform with any rule, regulation, or order of the said Commission, including any revision of the applicable tariff, which may be adopted or approved hereafter by the Commission.

12. Billing:

Billings for this work may be submitted to the Alaska Energy Authority, 813 West Northern Lights Blvd., Anchorage, Alaska 99503, who will make payment on behalf of the City under AEA GRANT # 2195274 to the City of Gustavus.


GUSTAVUS ELECTRIC COMPANY, INC.


APPLICANT/ CITY OF GUSTAVUS


ALASKA ENERGY AUTHORITY
CHRISTOPHER RUTZ
Procurement Manager

REFERENCE
REG10-030
when billing
AEA